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GAIN Report

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Taiwan

Post: Taipei

Extensions for Commodity Price Stabilization Measures

Report Categories:

Grain and Feed

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Report Highlights:

Taiwan extends its policy on temporary tariff reductions through August 5, 2009 on imports of eight commodities that include corn, wheat, soybeans, and DDGS. Taiwan also extended exemptions from import taxes and fees through March 9, 2010 for four commodities: wheat, corn, soybeans and corn.

Executive Summary:

Taiwan extends its policy on temporary tariff reductions through August 5, 2009 on imports of eight commodities that include corn, wheat, soybeans, and DDGS. Taiwan also extended exemptions from import taxes and fees through March 9, 2010 for four commodities: wheat, corn, soybeans and corn.

The policy is intended to help stabilize the livestock and feed industry that experienced volatile world grain prices and a slowing economy following commodity price inflation in 2008.

General Information:

Commodity Price Stabilization Measures: Exemptions for Import Taxes and Fees for Wheat, Corn, Soybeans and Barley

Business tax: The current business tax rate is 5 percent on imported commodities. On March 7, 2008, Taiwan amended the existing Valued-Added and Non-Value-Added Business Tax Law to give the government rights to temporarily lower the business tax on wheat, corn, barley and soybeans to zero percent, effective March 10, 2008 through March 9, 2009. These exemptions are now extended through March 9, 2010. According to the existing Business Tax Law, the tax should fall between the 5 to 10 percent range.

Trade promotion fee at the current 0.04 percent level is exempted on these four commodities effective January 1, 2008 through June 30, 2009.

Import Inspection fee at the current 0.15 percent level was cut to 0.05 percent, effective January 7, 2008. The ending date has not been announced.

Quarantine inspection rate at the current 0.1 percent level was reduced to 0.05 percent, effective February 13, 2008 and ending date has not been announced.

Tariff Rates Reductions Table

Commodity/HS Code	Current Rate	Temporary Rate: Temporary 50% Reduction during 08/06/2007 – 08/05/2008	Temporary Rate: Temporary 50% cut or zero rate starting August 6, 2008 thru August 5, 2009
Drum wheat for feeding/1001-1000-10-3	6.50%	3.25%	3.25%
Other drum wheat/1001-1000-90-6	6.50%	3.25%	3.25%
Soft wheat for feeding/1001-9000-10-6	6.50%	3.25%	3.25%
Other wheat and meslin/1001-9000-90-9	6.50%	3.25%	3.25%
Wheat flour/1101-0010-00-4	17.50%	8.75%	8.75%
Maiz flour/1102-2000-00-1	6.00%	3.00%	Zero
Groats of wheat/1103-1100-10-9	20.00%	10.00%	10.00%
Meal of wheat/1103-1100-20-7	20.00%	10.00%	10.00%
Groats and meal of meiz/1103-1300-009	10.00%	5.00%	Zero

Flour and meal of soya beans/1208-1000-00-6	3.00%	1.50%	1.50%
Brewing or distilling dregs and wastes/2303-3000-00-4	3.00%	1.50%	Zero

Reference: TW8013